

Michigan Department of Education  
Office of Health and Nutrition Services  
School Nutrition Programs  
Community Eligibility Provision  
Frequently Asked Questions

## **INTRODUCTION**

### ***What is Community Eligibility Provision or CEP?***

Community Eligibility Provision (CEP) is an alternative way to serve universal free breakfast and lunch to all students in high poverty Local Educational Agencies (LEAs) and schools.

This program requires schools to offer breakfast and lunch but will allow individual schools to count and claim meals without the normal free and reduced application process. Schools that participate in CEP will no longer be allowed to collect Free and Reduced-Price School Meals Family Applications to determine student eligibility for free meals. Meals will still need to be counted at Point of Service (POS), but just total meals, not meals by eligibility category. Although, Free and Reduced-Price School Meals Family Applications are not required, other economic status documentation may be requested (see Determining Eligibility FAQ questions below).

### ***How can we qualify?***

Any school building that has an Identified Student Percentage (ISP) of 40% or more, according to the building-level data reflective as of April 1 of a given year, will be eligible to participate in the following year. The percentage is calculated by taking all directly certified students, other household members that have been extended the eligibility, students experiencing homeless and foster care, and those that are migratory migrant, and dividing by the student enrollment (students eligible to participate in school meal programs). Districts can participate in a variety of ways: by individual school building ISP, groups of school's combined ISP, or by an entire district's combined ISP.

### ***What are the benefits of participating in CEP?***

- All students receive a free breakfast and lunch
- Eliminates overt identification issues for students
- Improves nutrition to students at risk
- Reduces paperwork at the school district level
- Simplifies meal counting and claiming
- Increases breakfast and lunch participation

### ***How and when can we apply for next year?***

We will notify districts in the spring each year regarding the application process. You must notify the MDE School Nutrition Programs unit of your intention to participate, or continue participating, in the CEP for upcoming school year by June 30. SNP requires the notification to occur by selecting "yes" to question number 3 and saving the School Nutrition Program Sponsor Details Page in the NexSys CNP: Coordinated Application. This selection must be made by the deadline, as a late selection cannot be approved.

### ***Do we need to apply every year?***

Once an LEA or school is approved, it may participate in the program for the duration of four consecutive years. However, if an LEA or school is not at 100% free reimbursement, it may reapply each year to increase the reimbursement percentage.

Sponsors must annually notify the MDE School Nutrition Programs (SNP) of their intent to continue participating in the CEP for upcoming school year by June 30. SNP requires the notification to occur by selecting “yes” to question number 3 and saving the School Nutrition Program Sponsor Details Page in the NexSys CNP: Coordinated Application.

***What if we want to opt-out?***

If approved and accepted into the CEP program, LEAs and schools may opt out in writing at any time during the year. In that case, the LEA will have 30 school days to collect the Free and Reduced Family Meal Applications from students. After 30 school days, the LEA must revert to claiming by eligibility category.

**DETERMINING ELIGIBILITY**

***Who are Identified Students?***

Identified Students refers to all students that are certified for free meals by any means other than the submission of individual paper applications. This definition includes students directly certified (see below), as well as homeless on the liaison list, migratory youth, runaways, those that the local officials have extended the benefit to (see below), as well as children experiencing foster care certified through means other than an application. Students who are categorically eligible based on submission of a free and reduced-price application are not included (i.e., foster or DHHS case number) as they must meet the criteria above.

***What is direct certification?***

Direct certification is the process by which students are automatically approved for free breakfast and free lunch based on an electronic match between the Michigan Student Data System (MSDS) and the Michigan Department of Human Services (DHS).

In Michigan, direct certification is completed by matching student enrollment data that Local Educational Agencies (LEAs) upload to the MSDS with Food Assistance Program (FAP) participant, certain Medicaid participants, and Foster Child data from DHS. The matching process is made available monthly to LEAs via the MSDS.

***What are extended benefits?***

Any child living in a household with another child who is directly certified, as designated by DHHS, is automatically eligible for free breakfast and lunch through the school meals programs. The children with extended benefits can be included in the ISP counts for CEP.

***What are the methods for calculating the Identified Student Percentage (ISP) for a district, Public School Academy (PSA), school, and group of schools within an LEA?***

The ISP is calculated by using April 1<sup>st</sup> data and taking the total number directly certified students plus students who are eligible for migrant, homeless, manual additions, and foster care programs, (if not already included in the direct certification list) and dividing that number by the number of students with access to school lunch (in most cases, your enrollment). Districts can report the entire district, a single school, group(s) of schools or any combination of single schools and group(s) of schools. Whether it is a group or the entire district, the rate is the aggregate of the buildings.

***If we are not currently eligible or our ISP is too low to be advantageous, is there anything our schools can do to raise the ISP so we can participate in the future?***

Schools can improve their ISP by ensuring that all students that can be certified by direct certification, or are eligible based on extended benefits, are correctly identified. Schools are required to run the direct certification list three times during the school year, but MDE recommends that you run direct certification list every time it is refreshed.

***Do reduced priced students count as "Identified Students"?***

No, Identified Students are students that are eligible for free meals without the need for a Household Application for Free and Reduced-Price Meals. This group is comprised of students that are eligible for free meals through direct certification, homeless, runaway, foster, etc. It does not include students that are directly certified through Medicaid as reduced-price eligible. The multiplier (currently 1.6) compensates for the reduced category.

***Can preschool students participate in CEP?***

Preschool or preprimary students who are recognized as part of the educational system and participate in the School Breakfast Program (SBP) and National School Lunch (NSLP) may also participate in CEP. It is important to note that preschool enrollment and eligibility is not included in the CEP spring data posting from the MDE. To include the preschool students in the ISP, student lists will need to be provided to the MDE to determine eligibility, and then the totals will be added into the building enrollment and eligibility counts.

CEP eligibility only covers meals served through the SBP, NSLP and Afterschool Snack Program. Preschool programs that serve daytime snacks through the Child and Adult Care Food Program (CACFP) will need to determine eligibility, count and claim meals according to CACFP regulations.

**APPLICATIONS AND OTHER DOCUMENTATION**

***Do all local education agencies (LEAs) still need to provide free and reduced-price lunch information to MDE via the Supplemental Nutrition Education characteristic in CEPI's normal collections?***

Yes, in order to receive certain federal and state funds, LEAs are required to enter student eligibility data into the Supplemental Nutrition Eligibility (SNE) field in the Michigan Student Data System (MSDS). MSDS Collections that require SNE include the Fall & Spring General Collection, Student Record Maintenance (SRM) Collection, and Early Childhood Collections.

***How can LEAs Identify Economically Disadvantaged Students for Supplemental Nutrition Eligibility (SNE)?***

Direct Certification

- For more information about the Direct Certification report, please visit the [Center for Educational Performance and Information \(CEPI\) Direct Certification Report web page](#).<sup>i</sup>

Income Based Form

- Free and Reduced-Price Meals Family Application - Traditional Claim Schools
- [Household Information Report](#)<sup>ii</sup> - Community Eligibility Provision (CEP) Schools

## Categorical Eligibility

- Homeless, Migrant, Runaway, Foster, and Head Start

### ***Which LEAs need to provide the free and reduced lunch data?***

Any LEA desiring to receive certain federal or state funds must enter student data into the MSDS.

### ***What is the Household Information Report?***

The [Household Information Report](#)<sup>iii</sup> should be completed by parents or guardians for students that attend a CEP school that are not directly certified or categorically eligible. The report is used to determine free or reduced-price meals eligibility for the Supplemental Nutrition Eligibility field in the MSDS. With all students receiving the benefits of free meals, schools and districts leadership teams will need to continue to develop strategies through the Continuous Improvement Process to encourage parents to complete the Household Information Report ensuring that the district has the required reporting documentation. Parents cannot be forced to complete the report for their children to receive the benefit of free meals in the CEP program.

### ***Why do LEAs participating in the CEP still have to collect and report free and reduced eligibility data?***

Various State and Federal programs still require the state to calculate and report subgroup data, and many programs use this subgroup for allocations. Because not all students receiving the benefits of CEP are actually FREE eligible, it is still necessary for LEAs participating in CEP to determine on an individual eligibility on a student-by-student basis.

### ***Can school food service staff process Household Information Reports?***

Yes. School food service staff has expertise collecting household income reports. School food service staff may process the forms, but the cost of processing the household information reports may not be paid from the non-profit school food service account and the forms may not be associated with school meals. The LEA must pay for (or reimburse the non-profit school food service account) for the cost of processing forms.

## **COUNTING, CLAIMING, AND REIMBURSEMENT**

### ***If a school or LEA is participating, do any students need to identify their free or reduced-price lunch status when picking up their meal?***

No. LEAs are required to only count the total number of students who received a creditable breakfast or lunch at the point of service.

### ***How will LEAs be reimbursed for meals if the calculated participation rate is less than 100%?***

LEAs will be reimbursed by multiplying their ISP by the USDA authorized factor of 1.6 to determine the percentage of free meals. If the percentage is less than 100%, the remaining percentage will be reimbursed at the paid rate.

Districts with ISPs between 40 and 62.5% may be required to pay, from sources other than federal funds, the costs of serving breakfasts and lunches that are in excess of the federal assistance received, including federal cash reimbursement.

Once your application has been approved, your claiming percentages will be displayed in the NexSys CNP: Coordinated Application.

***What type of funds can cover the costs of the Community Eligibility Provision (CEP)?***

Federal Reimbursements and any other revenue that is required to flow to the Non-profit School Food Service Account (NSFSA) can be used to cover the costs of operating in CEP (i.e., State Supplemental Monies like 31a, 31d and 31f, Non-program Revenues, Donations, etc.). Non-federal funds like the general fund, however, would be required to cover any deficit that remains in the NSFSA should all the federal reimbursements and other sources of revenue be insufficient to break even in the NSFSA. More information can be found in the CEP Eligibility Planning and Implementation Guidance, SP 61-2016. Additional information can also be found in USDA Memo SP 54-2016 Community Eligibility Provision: Guidance and Updated Q&As.

***Does the Paid Lunch Equity (PLE) Tool need to be completed if an SFA is determined as CEP?***

The PLE Tool is required for any building that has traditional paid meal pricing. The PLE Tool would not be required if the SFA is participating in CEP districtwide.

***How are NSLP Afterschool Snacks claimed at a CEP schools?***

CEP schools that are not area eligible claim snacks using the same claiming percentage they use to claim meals under NSLP/SBP. CEP schools that are area eligible claim all snacks at the free reimbursement rate. A CEP school is area eligible if:

- At least 50 percent of students are free or reduced-price eligible (school's individual ISP is at least 31.25 percent); or
- The school is located in the attendance area of another school that is area eligible.

**OTHER FUNDING**

***Will federal (e.g., Title I) formula grant allocations be calculated differently for LEAs or schools participating in the Community Eligibility Provisions program?***

For Local Education Agencies (districts with geographical boundaries), the federal grants are formulated using US Census data, and therefore there is no impact on federal formula grant allocations due to changes in reporting during CEP participation. However, the free lunch count reported in MSDS's Supplemental Nutrition Eligibility component *is* used to calculate federal formula grant allocations for Public School Academies (PSAs). Therefore, in cases where reporting *decreases* due to a PSA's CEP participation, there will be an impact on federal formula grant allocations. For more information regarding Title I, Part A, Improving Basic Programs allocation formulas refer to the MDE Office of Educational Supports' *Process for [Calculating Title I, Part A Allocations](#)*<sup>iv</sup> guidance document.

***Will the state Section 31a At-risk grant allocations be calculated differently for LEAs or schools participating in the Community Eligibility Provisions program?***

The Section 31a At-risk law currently uses the district's economic disadvantaged student count as the key factor in the allocation formula for Local Education Agencies and Public School Academies. Therefore, the Supplemental Nutritional Eligibility field in MSDS is an

important reporting component. There may be an impact on future Section 31a allocations without verifiable household economic information at the student level for grades K-12.

Current Section 31a legislative language does support an adjusted Section 31a allocation formula to be used during the first preceding school year after a school begins participating in the CEP program. This provision in the law supports buildings and districts by providing time for leaders and school personnel to adjust and implement new local procedures in data collection practices and reporting processes. After the second year of CEP participation, the districts'/buildings' Section 31a allocation formula will change back to the traditional allocation formula. For more information regarding the Section 31a grant, visit the [MDE Section 31a website](#)<sup>v</sup> for FAQs and other At-risk program resources.

***How will participation in this program affect our technology E-rate?***

Recent guidance from the FCC indicates that E-rate calculations will be made based on the LEAs Identified Student Percentage (ISP) multiplied by the USDA authorized factor of 1.6.

***How will the "economically disadvantaged" subgroup used for Adequate Yearly Progress (AYP), graduation rates, assessment data, and other federal reporting be calculated for LEAs or schools participating in the CEP?***

The economically disadvantaged subgroup is determined by (1) direct certification, (2) categorical eligibility (homeless or migrant status), and (3) free and reduced lunch eligibility. Districts and schools participating in the CEP will need to ensure that free and reduced lunch eligibility is properly captured in the data by having parents or guardians complete the Household Information Report and entering the appropriate information in the Supplemental Nutrition Eligibility characteristic in MSDS. However, parents cannot be forced to complete the report for their children to receive the benefit of free meals in the CEP program. For students not directly certified or categorically eligible, the Supplemental Nutrition Eligibility characteristic must be correctly populated in MSDS by the fall collection certification date.

Free and reduced lunch data are the basis for determining the economically disadvantaged subgroup. Parents or guardians should complete the Household Information Report for students not directly certified or categorically eligible. LEAs must enter appropriate information under the Supplemental Nutritional Eligibility characteristic in MSDS as of the October count date. The data entered by each LEA under the Supplemental Nutritional Eligibility characteristic in MSDS are used to identify students in this subgroup.

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<sup>i</sup> [https://www.michigan.gov/cepi/0,4546,7-113-986\\_50502\\_53828---,00.html](https://www.michigan.gov/cepi/0,4546,7-113-986_50502_53828---,00.html)

<sup>ii</sup> [https://www.michigan.gov/mde/0,4615,7-140-66254\\_80468\\_96102-511791--,00.html](https://www.michigan.gov/mde/0,4615,7-140-66254_80468_96102-511791--,00.html)

<sup>iii</sup> [https://www.michigan.gov/mde/0,4615,7-140-66254\\_80468\\_96102-511791--,00.html](https://www.michigan.gov/mde/0,4615,7-140-66254_80468_96102-511791--,00.html)

<sup>iv</sup> <https://www.michigan.gov/mde/>

[/media/Project/Websites/mde/Year/2021/10/01/Title\\_I\\_Part\\_A\\_Improving\\_Basic\\_Programs.pdf?rev=d810410e3c1b46c9ad24f1db43ef6a9e&hash=BD7D726A4221C3E5DF8573C0731B6758](#)

<sup>v</sup> <https://www.michigan.gov/mde/services/school-performance-supports/educational-supports/programs/section-31a-at-risk>